PERFORMANCE OF SELF HELP GROUPS BY THEIR CHARACTERISTICS IN DROUGHT PRONE DISTRICTS OF WEST BENGAL– A MICRO LEVEL ANALYSIS

SantanuBisai[*]

Abstract

The present study finds a significant differential performance in respect of utilization of credit and training are found across strong, medium and weak groups classified on the basis of selected financial and economic indicators in DPAs and non-DPAs. The paper emphasizes upon the need for economic development of the DPAs so that most of the SHGs become strong to make substantial impact on rural development.

Introduction:

The Self Help Groups (SHGs)have been functioning under the recently introduced centrally sponsored programme called Swarnajayanti Gram SwarojgarJoyona, a holistic programme to promote income generating activities for the poor households in a sustained manner with the objective of eradicating rural poverty. This programme replaces the earlier self-employment and allied programmes like Integrated Rural Development Programme. Three main tenets of the SGSYprogramme, viz. (i) Key activities, (ii) Cluster Approach, and (iii) Group method, were formulated in order to reduce the number of individual activities, to reduce the geographical area for facilitating those activities and the number of clients from individuals to groups.

Initially the rural people collectively form a group. The group being formed, it starts collecting a fixed amount of money from each member for a period of six months. After accumulating a reasonable amount, the groups start lending to their group members. The SHGs are assessed through a grading process whereby they are being graded as Grade I and Grade II by the local

[*] **Assistant Professor of Economics,Symaprasad College,Kolkata, West Bengal, India**

self-government (viz. through panchayat and the bank) on the basis of some definite criteria. If the group members are active after groups are formed and if the members meet every month, regularly deposit money with their savings account, the group will be qualified for Grade I. After first gradation, the group has to work more actively and spend the money more cautiously for promoting their living condition. If the first graded groups are found to have actively worked during this period, then those groups would be promoted to the second grade after which they are financed along with subsidy for starting economic activities.

The impact of the SHG approach to rural, development has been studied in the existing literature but there are deficiencies as noted in the section that follows.

2. ReviewofExisting Literature

Dreze andSen (1988) observed that the SHGs comprising very poor people helped in the alleviation of poverty, increased sustainability, reduction of vulnerability, improvement of capacity building and helping the weaker sections in building assets.Kabeer (1999) observed that MFIs could not empower women directly but could help them through training and awareness-raising to challenge the existing norms, cultures and values which placed them at a disadvantageous position in relation to men and to help them have greater control over resources and their lives. Mayoux (2001) analyzed that women could use savings and credit for economic activities. As a result, their income and asset position were improved. Puhazhendhi and Badatya (2002) surveyed 115 members from 60 SHGs in Eastern India for estimating the performance of SHGs before and after group formation. They showed that there had been substantial reduction of loans from local moneylenders and other informal sources. Tripathy (2004) showed that the necessary training could be provided to the SHG members to create awareness on community health, traditional and modern agriculture practices, Panchayat system and other relevant issues applicable to the areas concerned. Barman (2005) indicated that the growth of SHGs and the increase in bank deposit accounts of female members were strongly correlated. Basu and Srivastava (2005) found that the rural poor had little access to formal finance and therefore informal lending remained strong.Kumar (2005)reviewed inter-district variations in the performance ofSHGs and showed that the micro finance programme was less successful in some of the tribal regions of North-East India and Uttaranchal.Montgomery (2005) showed that the

participation in Khushhali Bank's microfinance programme in Pakistan had positive impact on both economic and social indicators of welfare as well as income generating activities, especially for the poorest participants in the programme.Nahawareand Mahadik (2005) indicated that the members of SHGs became successful in reducing their dependence on rural moneylenders.Readdy (2007)showed that SHGs became effective instruments in realizing that potential to save and SHG internal system needed to be strengthened in order to enhance the confidence of the members to save in their SHGs.Tripathi and Sharma (2007) observed that the SHG-bank linkage programme had led to a gradual shift from consumption loans to production loans by the SHG members. DharandSarker (2009) showed that the SHGs were unable to take up economic activities and, therefore, resorting to high inter-lending rates for sustenance. This was because of lack of economic activities, lack of marketing avenues (Phougat, and Hooda, 2010) and inefficient financial management by group leaders. Chandra and Sinha (2010) explored the performance and sustainability of the SHG program in India. Because income-generating activities and other characteristics varied with the gender composition of self-help groups, their performance and sustainability varied.Roy and Strom (2010) showed contradictory results. In many cases, the MFIs became too focused on making profits at the expense of outreach to poorer customers. Hermes, Robert andAljar (2011) explored the trade-off between outreach to the poor and efficiency of MFIs.According to them, efficiency of MFIs was improved if it focused less on the poor.Sharma, Roy and Deepa (2012) showed that training was an important indicator for the assessment of the performance of SHGs. It was found that the members of SHGs changed their knowledge, skill and attitude which were required to start a new project. Majumder (2014) observed that capacity building process among the rural people required the principle of adult education since the persons to be trained were all adult. Participatory training was very important for the better performance of SHGs.

From the brief review of the existing literature it is found that the performance of SHGshas been studied in the existing literature but there is hardly any literature on the classification of SHGs into sub-groups such as Strong, Medium and Weak groups based on their performancein drought prone areas (DPAs) of West Bengal.

3. Objectives:

Thus the basic objective of the present study is to examine the performance of SHGs (by their classification) in respect of utilization of credit and training for productive purposes in the DPAs vis-à-vis non-DPAs in West Bengal. Since the JangalMahal region of the state which is largely drought prone belongs to the relatively backward area a comparative study of SHGs in these respect would be developed, which would be revealing.

4. Database and Methodology:

This work is entirely based on primary data. A multi-stage random sampling method is used to collect primary data from the two districts (Bankuraand PaschimMedinipur) of the state. The blocks of these sample districts are treated as first stage sample unit, gram panchayet the second stage unit, SHG the third stage and household the ultimate stage. We have randomly selected eight DP (drought-prone) blocks (Binpur II, Gopibhallavpur II, Jhargram, Jambani, Chhatna, Khatra, Indpur and Saltora) and seven non-DP blocks (Kharagpur II, Salboni, Binpur I, Debra, Bishnupur, Kotolpur and Indus). Within a block all Gram Panchayets are not equally important in respect of socio-economic characteristics. In view of this, the sample gram panchayets have been randomly chosen from the DP and non-DP blocks - 24 sample gram panchayetsfrom the sample DP blocks and 21 sample gram panchayets from the sample non-DP blocks. From each sample gram panchayet two SHGs have been randomly selected. We have thus 48 SHGs in DPAs and 42 SHGs in non-DPAs. All the member households of the sample SHGs have been studied.

The sample SHGs have been classified as strong groups, medium groups and weak groups on the basis of the following factors: (i) length of the period of operation, (ii) per capita deposit of the members of the groups, (iii) per capita credit availed of by the members of the group, (iv) credit-deposit ratio of the groups, (v) their repayment-credit ratio and (vi) their upgradationto GradeII. First,it hasbeen computed standardized value of each indicator for 48 SHGs in DPAs and 42 SHGs in non-DPAs by using the formula: $(\bar{x} - \mu)/\sigma$. It hasalso been calculated the median and 3rd quartile for these indicators. The value of the median and 3rd quartile for each indicator is shown in Table 1. The number of observations smaller than median is the same as the number greater than it. For strong groups, we have taken the value of third quartile as this value is more

than the central value of the observations while for medium groups we have taken median values as that value is the central value of the observation.

Now, based on those basic values of indicators, a sample SHG is considered a strong group if a). The group had been functioning for more than 7.8 years; b). Per capita saving of the members of this sample SHG was more than Rs.4330 at present; c). Per capita credit availed of till then by the members was more than Rs.93000, d). Credit-deposit ratio of the members was more than or equal to 354. e). Repayment ratio of the members was more than 66. f). SHG passed Grade II.

Table 1Median and 3rd quartile values required for classification of SHGs

Indicators of SHGs	Median	3rd Quartile
1.Year of Functioning	6	7.8
2.Per Capita Deposit	2607	4330
3. Per Capita Credit	6500	9300
4.Credit-Deposit Ratio	204	354
5. Repayment Ratio	43	66

Source**:** Field Survey (2011-12);

Similarly, a sample SHG is considered a medium Group if a). The group had been functioning for more than or equal to 6 years;b). Per capita saving of the members was more than Rs.2607 at present; c). Per capita credit availed of till then by the members was more than Rs.6500, d). The credit-deposit ratio of the members was more than or equal to 204. e). Repayment Ratio of the members was more than 43. f). SHG passed Grade II.

Further, a sample SHG was considered a weak Group if the group did not satisfy the criteria fixed for either strong group or medium group i.e. if at least one of the six indicators which were to be satisfied by either strong SHG or medium SHG was not satisfied by theSHG, it was treated as a weak Group.

Based on the above criteria we then classified the sample groups as strong, medium and weak groups in DPAs and non-DPAs. In DPAs, 5 groups were seen to be strong group, 9 groups

medium groups and 34 groups weak groups. Again, in non-DPAs, 5 groups were seen to be strong groups, 6 groups medium groups and 31 groups weak groups.

5. Analysis and results:

It is observed that as regards classification, both DPAs and non-DPAs had no significant difference in each category of groups. The number of the Strong SHGs and the medium SHGs were seen to be less than 10. We, therefore, could not calculate the correlation matrix for Strong SHGs and the medium SHGs, rather we calculated the correlation matrix for weak SHGs which were more than 30 groups.

For weak SHGs in DPAs, we observed that there was a positive correlation between Per Capita Deposit and Year of functioning and the coefficient was significant at 1% level. The correlation coefficients between Per Capita Credit and Year of functioning, Repayment-Credit Ratio and Year of functioning were found to be positive and statistically significantat 5% level. Now the correlation between Per Capita Credit and Per Capita Deposit was found to be positive and the coefficient was significant at 5% level. The PCC and Credit-deposit Ratio were positively correlated and the coefficient was statistically significantat 1% level.For the weak SHGs in non-DPAs it is observed that the Per Capita Deposit and Year of functioning were positively correlated and the coefficient was statistically significant at 1% level. Again, the correlation coefficient between Year of functioning and Credit- Deposit Ratio was found to be negative and the coefficient was statistically significant at 1% level. It is found negative correlation between Per Capita Deposit and Credit- Deposit Ratio. However, the correlation coefficient was statistically significant at 5% level. But the correlation coefficient between Per Capita Credit and Credit-Deposit Ratio was positive and the coefficient was significant at 5% level[Table 2].

Table2 Correlationmatrix for weak SHGs

	YOF	PCD	PCC	CDR	RCR
DPAs					
YOF	1.00				
PCD	.672**	1.00			
PCC	.382*	.587*	1.00		
CDR	.301	.198	.757**	1.00	

RCR	.362*	.252	.107	.177	1.00
Non-DPAs					
YOF	1.00				
PCD	643**	1.00			
PCC	-.216	-.049	1.00		
CDR	-.490**	-.368*	.903**	1.00	
RCR	.214	.381	-.044	-.136	1.00

Notes: Same as Table 5.1.3

 YOF = Year of functioning

 * significant at the 0.05 level and ** significant at the 0.01 level.

Source: Author's calculation fromField Survey (2011-12).

Wecalculated the mean difference of Per Capita Deposit, Per Capita Credit, Credit-Deposit Ratio and Repayment-Credit Ratio for strong, medium and weak groups in DPAs and non-DPAs.For strong SHGs, it was observed that the mean and variances for these indicators had been higher in non-DPAs than those in DPAs but the values of three mean differences out of four were not statistically significant. However, this difference in respect of Per Capita Deposit was statistically significant at 1% level. For Medium SHGs, the mean and variance of Per Capita Deposit and per capita credit had been higher in non-DPAs than those in DPAs. However, the mean differences of PCD, PCC, CDR and RCR were statistically insignificant. For Weak SHGs these differences in PCD, PCC and RCR were statistically significant at 1% level. However, this difference in respect of CDR was not statistically significant (Table 3).

Table3 Mean and variance values of PCS, PCC, CDR and RCR for strong, medium and weakSHGs, 2001-2002 to 2011-12

	Mean DPA	Variance DPA	Mean non-DPA	Variance non-DPA	t-value
Strong Group					
PCD	4927	311588	6881	345418	-2.251**
PCC	20716	3437712	22376	353693	-.4446
CDR	414.4	4885	340	5776	1.611

RCR	65	207	75	704	-.7408
Medium Group					
PCD	4406.4	743464	4919.7	798241	-1.1052
PCC	10667	22710000	14290	79349000	-1.072
CDR	251	10018.53	116.81	298	-.8607
RCR	52	65.861	51.2	90.57	.1995
WeakGroup					
PCD	2200	1469	2443	1086	-27.444**
PCC	6026.3	5592.87	5835.13	5476.78	9.758**
CDR	235.5	151	278	245.5	-11.501
RCR	47.85	31.85	37.49	28.969	7.13**

Note: ** significant at the 0.01 level

Source: Author's calculation fromField Survey (2011-12).

Utilization of credit is another important factor for the performance of SHGs. One important point is to be noted that repayment of loans in cash requires that the loan has to be invested in some production activity so as to generate surplus for serving debt obligations. Otherwise, using the loan to increase the sphere of non-commodity production will not enable the borrower to earn the necessary amounts for loan repayment. In this connection, the main focus is whether the credit is utilized for productive purpose. If more number of members of SHGs utilized it properly, performance of SHGs will be higher. This is evident from the study of Sing (2001)where he has shown that the loans taken by members of SHGs were utilized for consumption purposes before their group formation but the loans have been taken for income generating activities after group formation. According to Joshi (2007) microfinance provides credit with no collateral obligations on one hand and promotes income generating activities on the other.

It has analyzed the utilization of credit received by the members of Strong, medium and weak SHGs from different sources of finance in productive and non-productive activitiesin DPAs and non-DPAs (after they passedGrade I and Grade II). In both DPAs and non-DPAs, cent per cent of credit received by the strong groups was utilized for productive purposes after passing Grade

I. in case of Grade II passed also cent per cent credit was utilized for productive purposes in DPAs while in non-DPAs 86 per cent credit was utilized for productive and 14 per cent for unproductive purposes.

In case of medium groups in DPAs, cent per cent members utilized credit for productive purposes while 95 per cent utilized it for productive and 5 per cent only for unproductive purposes in non-DPAs after qualifying for Grade I. However, a sizeable share (21.2%) of total credit was utilized for unproductive purposes in DPAs and it was cent per cent for productive purposes in non-DPAs after the groups qualified for Grade II. This is because poverty alleviation was the objective. Therefore, many members utilized the credit for unproductive purposes. An example is here that themembers of FulberiaBirangana SHG of Nota gram panchayet in GopiballabhpurII block of PaschimMedinipurdistrict were using their credit (per cent) for household consumption after passing Grade II. They knew that if they could form any SHG, they would get some credit and get opportunities for being engaged in mid-day-meal scheme. However, their primary aim was to earn something.

For weak groups in DPAs, about 87 per cent credit was utilized for productive and 13 per cent for unproductive purposes while about 82 per cent was utilized for productive and 18 per cent for unproductive purposes in non-DPAs after the groups qualified for Grade I. One example in this context is,out of 10 members, 5 members of RadhanagarKaramtalaSwasahayak Dal of Radhanagargram panchayet in JhargramBlock of PaschimMedinipurdistrict were seen to have used their credit for daughters' marriages etc. As a whole for Grade II passed, 96.7 per cent was utilized for productive and 3.3 per cent for unproductive purposesin DPAs while 66 per cent was utilized for productive and 34 per cent for unproductive purposes in non-DPAs (Table 4). For example, the members of Laxipriya SGSY Dal of Bhara gram panchayet in Bishnupurblock of Bankura district were using their 35.3 per cent credit for household consumption.

Table 4 Share of different sources of finance used in productive and non-productiveActivities by strong, medium and weak SHG members

Sources of	Funds (%) used by SHG members of	Funds (%) used by SHG members of Medium groups	Funds (%) used by SHG members of Weak groups in

finance	Strong groups in					in													
	DPAs		non-DPAs			DPAs			non-DPAs			DPAs				non-DPAs			
	G I	G II	G I	G II		G I	G II		G I		G II	G I		G II		G I		G II	
	pd	Pd	pd	Pd	U p	Pd	pd	up	pd	up	pd	pd	Up	pd	up	Pd	up	Pd	up
Com. Banks	60	37.5	45.8	4.3	14.4	74.6	78.8	21.2	39.2	5.4	100	39.6	7.7			38.6	9.5	66	34
R R B	30.9	45.5	47.6	56.3		25.4			42.6			45.2	5.6	96.7	3.3	33.6	8.8		
Coop	9.1	17	6.6	25		-			12.8			1.9				9.5			
TOTAL	100	100	100	85.6	14.4	100	78.8	21.2	94.6	5.4	100	86.7	13.3	96.7	3.3	81.7	18.3	66	34

Note: pd = productive and up = unproductive

Source: Field Survey (2011-12);

Thepattern of utilization of credit by the members of sample SHGs after passing Grade1 and Grade11 are shown in Table5. The members utilized the loan for purchasing cows, rams, goats and for meeting personal needs (Kamaraju, 2005). The credit was largely utilized for income generating activities that shape the economic aspects of peoples' lives through the use of economic tools such as credit. Directly income generating activitiesinclude A) agriculture, B)livestock,C)business/Shop and D) household manufacturing. Agricultureincludes paddy production, mushroom production, plantation, livestock includes goatery, diary, poultry, piggery, household manufacturing includes tailoring, netting, tip (bindi) making, leaf stitching, mini rice mill, chira preparation, rope making with babui grass, bamboo preparation, handloom, preparation of vermycompost. The expenditure on education and health is meant for productive purposes because it creates human capital. We also include the expenditure on housing and capital assets like motorcycle purchase as productive.

In DPAs, 39.7 per cent members of strong groups engaged themselves in livestock and 34.5 per cent in household manufacturing after passing Grade I; about 46 per cent members engaged themselves in livestock after passing Grade II while in non-DPAs 45.3 per cent members ofstrong groups were engagedin livestock and 22.6 per cent in household manufacturing after

passing Grade I; 24.4 per cent members were engagedin livestock and 24.4 per cent members in household manufacturing after passing Grade II.

In DPAs, 58.2 per cent members of medium groups were engagedin livestock, 20.4 per cent in business and 11.2 per cent in household manufacturing while in non-DPAs, 4.8 members utilized credit for their household consumption after passing Grade I. Again, 40 per cent memberswere engagedin livestock and 40 per cent in household manufacturingin DPAs while 52.4 per cent membersgot engaged in agricultural activities and 38 per cent in livestockafter passing Grade II in non-DPAs.

For weak groups in DPAs, about 11 per cent memberswere engagedin agricultural activities, 37.5 per cent in livestock and 22 per cent in household manufacturing after passing Grade I, and about 22 per cent membersgot engagedin agricultural activities and 73.2 per cent in livestock after passing Grade II. In non-DPAs about 9 per cent memberswere engaged in agricultural activities, 45.3 per cent in livestock and 25.4 per cent in household manufacturing after passing Grade I. About 82 per cent members were in livestock, and 10 per cent members utilized it for health after passing Grade II (Table 5).

**Table5 Percentage distribution of members used their credit in productive activities**

Directly income generating activities	purpose ofloan by the members of SHGs											
	No. of members of Strong groups in				No. of members of Medium groups in				No. of members of Weak groups in			
	DPA		non-DPA		DPA		non-DPA		DPA		non-DPA	
	G I	GII	G I	G II	G I	G II	G I	G II	G I	G II	G I	G II
A)Agriculture.	13.8	18.8	11.3		10.2			52.4	10.9	22	8.6	
B)Livestock	39.7	45.8	45.3	24.4	58.2	40	72.6	38	37.5	73.2	45.3	82
C)Business /Shop	12	14.6	20.8	26.8	20.4			4.8	3.6		5.9	
D)Household manufacturing	34.5	20.8	22.6	24.4	11.2	40	16.1	4.8	22		25.4	
E)Money lend.									3.3		2.4	
F) Education						10			1.6		.8	

G) Health							5		.7			10
H) motorcycle purchase etc.									.3		4.9	
I) House construction /Repair									1.6		.7	
Total	100	100	100	76	100	90	93.7	100	98	95.2	94	92

Source: Field Survey (2011-12);

The distribution of members of strong, medium and weak SHGs who were engaged in productive activities after getting training facilities is shown in Figure-1.1. In DPAs, 30.8 per cent members of strong groups gottraining in agricultural activities while 7.7 per cent members utilized it for goat rearing; 25.6 per cent got training in household manufacturing activitiesand all the members utilized it for productive activities; 43.6 per cent members got agricultural input production training but no member was found to have utilized it for productive activities, Thus, though cent per cent members of strong groups in DPAs got training, 33.3 per cent members only were seen to have utilized it for income generating activities. For strong SHGs in non-DPAs, 56.7 per cent membersreceived training in household manufacturing activities and 43.3 per cent membersgot agricultural input production training. But, only 33.3 per cent members of strong SHGs utilized it for their group activities. In DPAs,38.6 per cent of medium groups gottraining in agricultural activities, 15.7 per cent in household manufacturing activities and they utilized it for income generating activities. 45.7 per cent members got training in agricultural input production but no member was found to have utilized it for productive activities.For example, the members of Kanki Kamala SGSY Dal of Arrahgram panchayet in Chhatna block of Bankuradistrict got Tip (bindi) making training and these members utilized it for these activities. However, it has been found that as it has no market they faced huge loss.The members of Jaherara SGSY Mahila Group of Tilurigram panchayet in Saltorablock of Bankuradistrict gottraining in poultry. But, they were seen to have been operating pumpset for supplying water in agricultural fields. Thus, only 15.7 per cent members were seen to have utilized the training they got for income generating activities. The members of GhohalparaBinapaniPacemaker Swasahayak Dal of Ghohalberia gram panchayet in BinpurIIblock of

PaschimMedinipurdistrictgot training in agricultural input production (Vermycompost). But, they were seen to have been engaged in babui rope (string) making activities.

Figure 1.1 Percentage of members trained in DPAs and non-DPAs
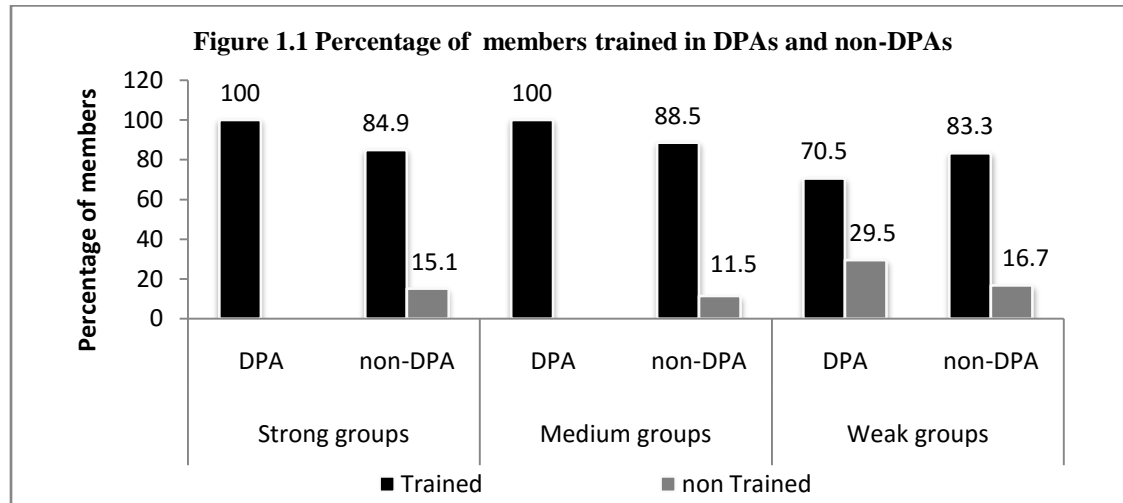
In non-DPAs, 30.3 per cent members got training in mushroom productionand 30.3 per cent members in beauty parlour training but no member was seen to have utilized it for productive activities. In reality, beauty parlor training in rural areas got scarcely productive relevance.

For weak groups in DPAs, about 80.9 per cent membersgot training in agricultural activities, 19.1 per cent members in household manufacturing activities but no member utilized it for income generating activities. Only 20.6 per cent members utilized the training they got for income generating activities. In non-DPAs, 33.9 per cent members got training in agricultural activities, 17.8 per cent in household manufacturing activities and 38 per cent members in agricultural input production. But only 9.3 per cent members of weak SHGs utilized it for their group activities. For example, the members of BaragarSaptapradipSwasahayak Dal of DebraI gram panchayet in Debra block of PaschimMedinipurdistrict got mushroom production training. But, they have been found to be producing pineapple. For weak groups in DPAs, about 80.9 per cent members gottraining in agricultural activities, 19.1 per cent members in household manufacturing activities but no member utilized it for income generating activities. Only 20.6 per cent members utilized the training they got for income generating activities.

In non-DPAs, 33.9 per cent gottraining in agricultural activities, 17.8 per cent in household manufacturing activities and 38 per cent members in agricultural input production. But only 9.3 per cent members of weak SHGs utilized it for their group activities (Table 6). For example, the

members of BaragarSaptapradipSwasahayak Dal of DebraI gram panchayet in Debra block of PaschimMedinipurdistrict got mushroom production training. But, they have been found to be producing pineapple.

Table6 Percentage distribution of members engaged in productive activities afterGettingtraining facilities

Types of the training	Strong groups in				Medium groups in			Weak groups in			
	DPAs		non-DPAs		DPAs		non-DPAs	DPAs		non-DPAs	
	TR	PA	TR	PA	TR	PA	TR	TR	PA	TR	PA
1.Agricultural activities											
Paddy production.	7.7							19.1			
Goatery	7.7	7.7			14.3			61.8	20.6	8.5	
Poultry	15.4				14.3						
Mushroom					10.0		30.3			25.4	
Total	**30.8**	**7.7**			**38.6**		**30.3**	**80.9**	**20.6**	**33.9**	
2.Household manufacturing											
Tailoring	25.6	25.6	36.7	33.3				19.1			
Netting			16.7								
Tip(bindi)					15.7	15.7					
Leaf stitching										8.5	
Mat			3.3								
Babui rope										9.3	
Total	25.6	25.6	56.7	33.3	15.7	15.7		19.1		17.8	
3.Agricultural input production											
Vermycompost	17.9				20.0					2.5	
Nursery	25.7				21.4					18.6	9.3

Plantation			43.3		4.3		30.3			16.9	
Total	43.6		43.3		45.7		30.3			38.0	9.3
4.Beauty Parlor							30.3			8.5	
5.Banking							9.1			1.7	
Grand Total	100 (39)	33.3 (13)	100 (30)	33.3 (10)	100 (70)	15.7 (11)	100 (33)	100 (68)	20.6 (14)	100 (118)	9.3 (11)

Note**:**TR = Members trained, PA=started Productive Activities after Training

Source**:** Field Survey (2011-12)

From our sample survey thus we find that many members got training in various activities but some of them utilized that skill or knowledge for their SHG activities. However, training alone was not enough to ensure that group members take up income generating activities; their success depended also upon markets for the services and goods produced.

6. Conclusion:

For strong SHGs, the mean and variances for PCC, CDR and RCR had been higher in non-DPAs than those in DPAs but the values of three mean differences out of four were not statistically significant. However, this difference in respect of Per Capita Deposit was statistically significant at 1% level. For Medium SHGs, the mean and variance of Per Capita Deposit and per capita credit had been higher in non-DPAs than those in DPAs. However, the mean differences of PCD, PCC, CDR and RCR were statistically insignificant. For Weak SHGs these differences in PCD, PCC and RCR were statistically significant at 1% level. However, this difference in respect of CDR was not statistically significant.

Strong groups are seen to have betterperformedfor utilizing credit for productive purposes in both DPAs and non-DPAs. These groups were utilized cent per cent credit for productive purposes,medium groups showed better performance than weak groups for which most of credit was utilized for the same.

In both DPAsand non-DPAs cent per cent members of strong groups got training but less than 50per centof themwere seen to have utilized it for income generating activities. Most of the

members both medium and weak groupsgot training but some of members of medium groups though utilized it for income generation. No member of weak groups was seen to have utilized it for productive activities.

Differential performance in respect of utilization of credit and training are found across strong, medium and weak groups classified on the basis of selected indicators (which are mostly financial and economic) in DPAs and non-DPAs. The paper emphasizes upon the need for economic development of the DPAs so that most of the SHGs become strong to make substantial impact on rural development.

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